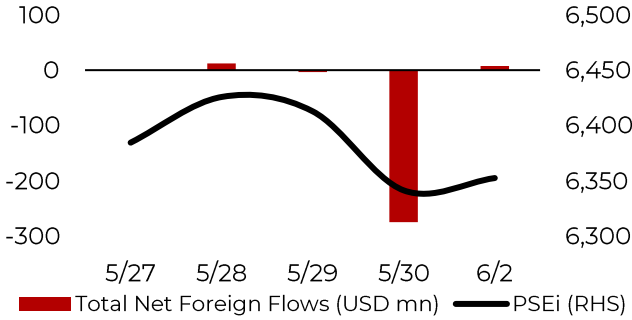


The Morning View

June 3, 2025

Philippine Stock Exchange Index

+0.18% DoD; Net foreign buying: \$7.51mn



Agriculture Secretary Francisco Laurel said that the Philippines is in talks with rice producers India, Pakistan, Cambodia, and Myanmar to lessen reliance on Vietnam. This is aimed to diversify the country's rice sources to "keep a level playing field." He highlighted that shipments from Vietnam accounted for 90% of the Philippines' rice imports, which could be a "problem" in case of supply shocks.

Maynilad Water Services, Inc. (Maynilad) received approved from the Securities and Exchange Commission for its Php45.8-billion initial public offering (IPO). The IPO will consist of 1.93 billion primary shares and the proceeds will be used to fund Maynilad's capital expenditures and other purposes.

Local equities rose, local fixed income yields ended mixed but fell on average, and the Philippine peso slightly strengthened amid expectations that local inflation further eased in May. Bloomberg consensus forecast for May inflation is at 1.3%, slower than the 1.4% print in April.

The PSEi closed at 6,352.66 (+0.18% DoD).

On average, yields fell by 0.08 bps, with the 2Y closing at 5.71% (-0.11 bps) and the 10Y closing at 6.28% (+1.96 bps).

The USD/PHP pair closed at 55.70 (-0.08% DoD).

The US Institute for Supply Management Manufacturing Purchasing Managers' Index fell to 48.5 in May (April: 48.7). The below-50 reading indicates contraction in manufacturing activity. The survey noted that tariff uncertainty pushed supplier delivery times to a three-year high, while input prices remain elevated.

Chicago Fed President Goolsbee says the US can cut interest rates after uncertainty from tariff policies settles. He noted that recent inflation figures has yet to reflect any significant impact from the tariffs. Meanwhile, Dallas Fed President Logan stated that monetary policy is well positioned for a wait-and-see stance.

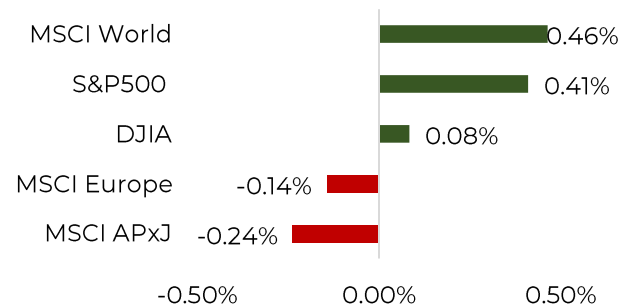
US equities inched up, US Treasury yields climbed, and the US dollar weakened as investors weighed the on-and-off US tariffs and the escalating US-China trade tensions. Nonetheless, market sentiment in the stock market was modestly lifted by the Trump administration's efforts to accelerate trade negotiations, pushing for countries to provide their best offers by Wednesday.

The S&P 500 closed at 5,935.94 (+0.41% DoD), while the DJIA ended at 42,305.48 (+0.08% DoD).

On average, yields rose by 2.34 bps, with the 2Y closing at 3.94% (+3.50 bps) and the 10Y closing at 4.44% (+3.80 bps).

The DXY closed at 98.71 (-0.63% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,935.94	+0.41%
DJIA	42,305.48	+0.08%
3-mo US Treasury yield	4.34%	-0.80 bps
2-yr US Treasury yield	3.94%	+3.50 bps
5-yr US Treasury yield	4.01%	+4.40 bps
10-yr US Treasury yield	4.44%	+3.80 bps
DXY	98.71	-0.63%

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